

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION NO. W-4484

July 8, 2004

**R E S O L U T I O N**

**(RES. W-4484), TAHOE SWISS VILLAGE UTILITIES-GLENRIDGE DISTRICT (TSVU-G). ORDER AUTHORIZING A GENERAL RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$2,823 OR 16.67% IN 2003, A 1.9% INCREASE IN RATES BASED ON THE 2003 CONSUMER PRICE INDEX (CPI-U), A ONE-TIME SURCHARGE OF \$415 FOR DEPARTMENT OF HEALTH SERVICES (DHS) FEES IN EACH DISTRICT, AND THE ESTABLISHMENT OF A LATE PAYMENT CHARGE.**

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**SUMMARY**

By Draft general rate case (GRC) Advice Letter (A.L.) accepted on April 21, 2003 TSVU-G seeks approval: (1) to increase general rates by \$3,725 or 23.80% for test year 2003; (2) to file for additional revenues to cover the carrying cost of future plant; (3) to offer private fire protection service and (4) to establish a late payment charge.

Based on a test year of 2003, this resolution grants an increase in gross annual revenues of \$2,823 or 16.67%. The increase will provide a 12.75% rate of return on a rate base of \$30,963. It also grants an additional increase of 1.9% based on the CPI-U for the year 2003.

**BACKGROUND**

TSVU-G provides domestic water service to 41 residential flat rate connections, one private fire connection (1.5-inch), and public fire protection water service to 12 fire hydrants. The service territory is the Glen Park subdivision and vicinity, located about a quarter-mile north of Meeks Bay in El Dorado County.

TSVU-G's present rates became effective on September 17, 1996 by Resolution (Res.) W-3997, which authorized a GRC increase.

On February 18, 2003, TSVU-G filed an A.L. informal GRC with the Commission's Water Division (WD). Upon receipt of missing information, WD accepted the filing as complete on April 21, 2003.

TSVU-G requests authority under §VI of General Order 96-A and §454 of the Public Utilities Code to increase rates for water service by \$3,725 or 23.80% in test year 2003. TSVU-G's request shows authorized 2003 gross revenue of \$15,640 at present rates increasing to \$19,783 at proposed rates. The yearly flat rate to the 41 connections would increase from \$391.00 to \$478.82.

On February 9, 2004 the Water Division issued a letter to all Class C and Class D regulated water utilities informing them that they could request a rate increase of 1.9% in 2004 based upon the end of the year 2003 CPI-U, as authorized by Ordering Paragraph 1 of Decision 92-03-093, March 31, 1992. TSVU-G is granted this increase in this resolution.

### **NOTICE AND PROTESTS**

TSVU-G mailed a copy of the GRC A.L. on February 18, 2003 to customers in accordance with Section III-G of General Order No. 96-A. The WD's Water Branch (Branch) received one letter protesting the amount of the increase. The Branch's response to the customer explained the process for the rate increase and the rationale for the request.

### **DISCUSSION**

The Branch made an independent analysis of TSVU-G's operations and issued its report in December 2003. Appendix A shows TSVU-G's and the Branch's estimates of the summary of earnings at present, requested and adopted rates for the test year 2003. Appendix A shows the differences between TSVU-G's and the Branch's estimates of operating revenues and operating expenses.

The Branch's recommendation is \$10,311 for operating expense versus the utility's request for \$10,960. Informed of the Branch's differing views of revenues and expenses, TSVU-G accepted the Branch's estimates.

Decision (D.) 92-03-093 Ordering Paragraph (O.P.) No. 8 requires WD to calculate rates for Class C and D water companies requesting general rate increases by two methods: return-on-ratebase (net investment) and operating ratio (expenses times a factor for profit) and recommend the higher result. This method is beneficial to small utilities with little rate base due to depreciation or contributed plant.

The WD is currently in the process of creating a set of guidelines for implementation of the operating ratio method. To date the operating ratio method has never invoked an operating ratio percentage above 20% and therefore this percentage was used in this application.

TSVU-G's rate base is \$755.20 per customer. Comparing the rate of return method to an operating ratio of 20%, WD determined the rate of return method produces a higher profit.

TSVU-G requested a 12.75% rate of return. This rate of return falls within the range (12.40%-13.40%) recommended by the Commission's Audit and Compliance Branch for test year 2003. The summary of earnings in Appendix A shows the recommended rate of return at 12.75%.

In addition to the increase in general rates, TSVU-G requested authority to assess a one-time surcharge of \$10.38 to pay the Department of Health Service's (DHS) annual fees of \$415. As shown in Appendix A, this annual fee will be included in rates for future recovery.

At the Branch's recommended revenues, the annual bill for flat rate customers with a 3/4-inch connection will increase 16.67% per year from \$391.00 to \$456.17, or an equivalent additional \$5.43 per month.

Because the test year was 2003, the Branch recommends that these revenues be escalated by the 2003 end-of-year CPI-U as authorized by D.92-03-093. The attached rates reflect that increase.

TSVU-G requested authorization for ratebase offset advice letter filings for the following capital projects once they are used and useful:

**TABLE ONE**

<b><i>Item</i></b>	<b><i>Purpose</i></b>	<b><i>Proposed Cost</i></b>	<b><i>Approval process</i></b>
Conversion of system from flat rate to meter rates	Analysis shows conservation for the area's supply determines conversion beneficial	\$1,000 per connection	GRC/Advice letter when used & useful Ratebase offset
Electric 110 volt plug	Assist pump	\$300	GRC/Advice letter when used & useful Ratebase offset
Chlorinator (w/ tank)	Install to disinfect water before it goes into the distribution system	\$1600	GRC/Advice letter when used & useful Ratebase offset
Emergency generator plug main power disconnect switch	Should be installed for standby purposes	\$3,000	GRC/Advice letter when used & useful Ratebase offset
About 160 ft - 6-inch main	Future project -eliminate 2 dead end mains - development stage	\$6,800 estimate	Future offset Advice letter
100,000 gallon bolted steel tank	Within 3 years need inspection/paint.	\$8,000 estimate	Future Advice Letter

The first project, the conversion of the system from all flat rate connections to an all metered system is a valuable conservation measure and could be beneficial to the community. However, the Branch cautions that a system with only 41 connections and possible additional growth of around 30% cannot exercise economies of scale for the meter conversion. The utility requested \$1,500 per connection to convert the system to all meters.

The Branch recommends a rate of \$1,000 per connection as a more reasonable conversion cost for this system since this amount has been shown in past utility requests to be an accepted rate. Also, the utility's request for the inclusion of a sophisticated electronic meter reading system is not warranted on a system of this size. Since the metering project is still in the planning stages and electronic technology costs tend to decrease over time, the utility may revisit this issue via an advice letter filing requesting approval of the meter reading system before the utility begins its conversion project.

The Branch reviewed the utility's other requests in Table One and determined those proposed projects are prudent. We authorize TSVU-G to request recovery based on the dollar costs associated with the above capital projects via ratebase offset filings once the project(s) are used and useful.

TSVU-G also requested a new rate structure for private fire protection service, a late payment charge schedule and additional service connection sizes on its existing annual Residential Flat Rate Service Schedule, No. 2RA. The Branch recommends approval of these requests as reasonable and we shall authorize them.

## **COMPLIANCE**

TSVU-G has not complied with Ordering Paragraph 8 of its last GRC resolution:

“8. All future annual reports filed by Tahoe Swiss Village Utility, Inc. must reflect the operations of the utility in a correct, complete and professional manner.” (Res. W-3997, September 17, 1996)

The Branch reviewed each of the utility's annual reports submitted to the Commission since 1997. Schedule F in the annual report, the income statement, consists of four major account sections: operating revenues, operating expenses, depreciation, and taxes.

The utility does not record dollar amounts in all income statement accounts. Instead, it places an asterisk (\*) instead of a dollar figure in some accounts.

The asterisks refer to what Tahoe Swiss Village Utilities, Incorporated (TSVU) calls its “ten-percent rule.” The utility has two districts (TSVU and TSVU-G) that share some expenses. These expenses are paid by the larger district, TSVU, and then ten percent of those expenses are allocated to the smaller TSVU-G system. The ten-percent allocation

reflects the fact that ten percent of the system's connections are located in the TSVU-G district.

The Branch was unable to find any mention of this ten-percent rule methodology in any past resolutions or decisions for either district.

While we find that TSVU's ten-percent rule is a reasonable way to allocate combined expenses, and Branch used this method to calculate expenses for TSVU-G, annual reports must record expenses in dollar amounts. We order TSVU-G to record dollar amounts in all future annual reports. We will authorize the following six accounts as subject to allocation:

- |                                 |                             |
|---------------------------------|-----------------------------|
| 1. Transportation               | 4. Office service & rentals |
| 2. Employee pensions & benefits | 5. Office supplies          |
| 3. Office salaries              | 6. General expenses         |

The actual percentage assigned for this rule will be consistent with the utility's actual percentage of customers residing in the smaller district, TSVU-G. For example, growth in the TSVU-G system may require a higher allocation than ten percent to prevent cross-subsidization between the two districts.

### **SERVICE QUALITY, FIELD VISIT, PUBLIC MEETING, AND PUBLIC RESPONSE**

In order to promote greater ratepayer awareness during the ratemaking process, a Public Meeting was held on June 2, 2003 to afford customers the opportunity to be heard and to ask questions about the proposed increase and the investigation process. Each customer was notified of the meeting by mail on or about April 24, 2003. Representing WD at the Public Meeting was Mr. Don McCrea. Mr. Steven Glazer, TSVU-G's owner, represented the utility. Mr. McCrea facilitated the meeting held at the Tahoe City Golf Course, Tahoe City, California.

The meeting began at 7:30 pm with both Mr. Glazer and Mr. McCrea in attendance, but no customers showed up. The meeting was adjourned at 8:00 pm.

Mr. McCrea conducted a field visit to review TSVU-G's expenses and other quantities and to inspect its facilities. Mr. Glazer and Mr. McCrea also inspected the service territory via automobile.

During the inspection, Mr. McCrea interviewed several customers. All customers indicated they were aware of the Public Meeting but did not feel compelled to attend. As one customer stated, "Steve is doing a good job running the company."

### **FINDINGS AND CONCLUSIONS**

1. The summary of earnings (Appendix A) developed by the Branch is reasonable and should be adopted with an additional 1.9% to reflect the end of year 2003 CPI-U is reasonable. .
2. The resulting rates proposed by the Branch (Appendix B) are reasonable and should be adopted.
3. The quantities (Appendix D) used in the preparation of this resolution are reasonable and should be adopted.
4. This is an uncontested matter subject to public notice and comment exclusion provided in Public Utilities Code § 311(g)(3).
5. All future annual reports should record costs in dollar amounts calculated from the company's allocation rule with the percentage based on the number of customers in each of the two districts in the following accounts:
  1. Transportation
  2. Employee pensions & benefits
  3. Office salaries
  4. Office service & rentals
  5. Office supplies
  6. General expenses
6. Use of the percentage of actual customers allocation rule is reasonable.
7. Annual reports filed by Tahoe Swiss Village Utility, Inc. should reflect the operations of the utility in a correct, complete and professional manner.
8. Tahoe Swiss Village Utility, Inc. should comply with Commission orders.
9. The following tariff sheets are out of date and should be updated within 60 days of the effective date of this resolution: Preliminary Statement, Rules 3, 5, 7, 8, 9, 10, and 11; also Forms 2 and 3.

**THEREFORE IT IS ORDERED THAT:**

1. Authority is granted under the Public Utilities Code §454 for Tahoe Swiss Village Utilities, Inc.'s Glenridge District to file an advice letter incorporating the Summary of Earnings and revised rate schedules attached to this resolution as Appendices A and B, and concurrently to cancel its present effective rate schedules: 1AR, Annual General Metered Service; 2AR, Annual Residential Flat Rate Service; and to add the new schedules: 4AR, Private Fire Protection Service; and LC, Late Payment Charge. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be five days after the date of filing.
2. All future annual reports shall record dollar amounts calculated from the company's allocation rule in the following accounts:

- |                                 |                             |
|---------------------------------|-----------------------------|
| 1. Transportation               | 4. Office service & rentals |
| 2. Employee pensions & benefits | 5. Office supplies          |
| 3. Office salaries              | 6. General expenses         |

3. Percentage of the actual customers must be consistently reported and properly reflected in the allocation rule.
4. All future annual reports filed by Tahoe Swiss Village Utility, Inc. must reflect the operations of the utility in a correct, complete and professional manner.
5. Tahoe Swiss Village Utility, Inc. is put on notice that future noncompliance with Commission orders will put the utility subject to sanctions by the Commission.
6. Tahoe Swiss Village Utility, Inc. should update the following tariff sheets within 60 days of authorization of this resolution: Preliminary Statement, Rules 3, 5, 7, 8, 9, 10, and 11; also Forms 2 and 3.
7. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 8, 2004; the following Commissioners voting favorably thereon:

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WESLEY M. FRANKLIN  
Deputy Executive Director

MICHAEL R. PEEVEY  
President

CARL W. WOOD  
LORETTA M. LYNCH  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
Commissioners



## APPENDIX A SUMMARY OF EARNINGS

### Tahoe Swiss Village Water Company - Glenridge Test Year 2003

Item	Utility Estimated		Branch Estimated		2003 GRC ADOPTED
	Present Rates	Requested Rates	Present Rates	Requested Rates	12.75% ROR
<b>Operating Revenue</b>					
Metered			0	0	0
Flat	15,640	19,783	16,031	19,783	18,703
Fire Hydrant	0	0	114	0	151
Total Revenue	15,640	19,783	16,145	19,783	18,854
<b>Operating Expenses</b>					
Purchased Power	2,344	2,344	2,344	2,344	2,344
Other Vol. Related exp.	300	300	300	300	300
Materials	250	250	200	200	200
Contract Work; includes \$450 water testing	1,144	1,144	1,014	1,014	1,014
DHS fee	415	415	415	415	415
Trans Expense	314	314	320	320	320
Other Plant Maintenance	250	250	200	200	200
Management Salaries	2,430	2,430	2,208	2,208	2,208
Employee Pensions & Benefits	230	230	200	200	200
Office Salaries	300	300	300	300	300
Employee labor	300	300	250	250	250
Ofc. Service and Rentals	220	220	220	220	220
Ofc. Supplies and Exp.	548	548	300	300	300
Professional Services	209	209	210	210	210
Insurance	1,076	1,076	1,300	1,300	1,300
Regulatory Expense	300	300	250	250	250
General Expense	330	330	280	280	280
<b>Subtotal</b>	10,960	10,960	10,311	10,311	10,311
Depreciation Expense	2,217	2,217	2,218	2,218	2,218
Other than inc. tax	1,324	1,324	880	880	880
Income Taxes	1,180	1,180	1,497	1,497	1,497
<b>Total Deductions</b>	15,681	15,681	14,906	14,906	14,906
<b>Net Revenue</b>	<b>-41</b>	<b>4,102</b>	<b>1,239</b>	<b>4,877</b>	<b>3,948</b>
<b>Rate Base</b>					
Average Plant	90,181	90,181	90,181	90,181	90,181
Average Depr. Reserve	58,158	58,158	59,318	59,318	59,318
Net Plant	32,023	32,023	30,863	30,863	30,863
Plus: Material & Supplies	150	150	100	100	100
Rate Base	32,173	32,173	30,963	30,963	30,963
<b>ROR: Net Rev/Rate Base</b>	<b>-0.13%</b>	<b>12.75%</b>	<b>4.00%</b>	<b>15.75%</b>	<b>12.75%</b>

**APPENDIX B      RATES**

**Tahoe Swiss Village Water Company Glenridge**

**Schedule No. 1AR**

**ANNUAL GENERAL METERED SERVICE**

**APPLICABILITY**

Applicable to all metered water service furnished on an annual basis.

**TERRITORY**

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

**RATES**

Quantity Rate:	<u>Per Meter</u>	
	<u>Per Month</u>	
All Water, per 100 cu. ft.	\$2.39	(I)
Annual Service Charge:	<u>Per Meter</u>	
	<u>Per Year</u>	
For 5/8 x 3/4-inch meter.....	\$ 215.18	(I)
For 3/4-inch meter .....	235.39	
For 1-inch meter.....	322.18	
For 1-1/2-inch meter .....	429.17	
For 2-inch meter.....	578.97	(I)

The Service Charge is a readiness-to-serve charge, which is applicable to all metered service and to which is added the charge for water computed at the Quantity Rate.

(continued)

**APPENDIX B RATES CONTINUED**

**Schedule No. 1AR (Continued)**

**ANNUAL GENERAL METERED SERVICE**

**SPECIAL CONDITIONS**

1. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he or she may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods. When meters are read bimonthly or quarterly, the charge will be computed by doubling or tripling, respectively, the number of cubic feet to which each block rate is applicable on a monthly basis.
2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ( $1/365$ ) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charges shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.
3. All water bills are subject to the reimbursement fee set forth on Schedule No. UF.

**APPENDIX B RATES CONTINUED**

**Tahoe Swiss Village Water Company Glenridge**

**Schedule No. 2AR**

**ANNUAL RESIDENTIAL FLAT RATE SERVICE**

**APPLICABILITY**

Applicable to all flat residential water service furnished on an annual basis.

**TERRITORY**

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

**RATES**

**Per Service Connection**

**Per Year**

For each-single-family residential unit, 3/4-inch size, including premises .....	\$464.84	(I)
For each additional single family residential unit on the same premises and served from the same 3/4-inch size service connection .....	387.21	(I)
For each-single-family residential unit, 1-inch size, including premises .....	773.99	(I)
For each additional single family residential unit on the same premises and served from the same 1-inch size service connection .....	644.73	(N)

**SPECIAL CONDITIONS**

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For services covered by the above classifications, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1AR, Annual General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter service charge for the same period shall be made on or before that day.

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(continued)

**APPENDIX B RATES CONTINUED**

**Schedule No. 2AR (Continued)**

**ANNUAL RESIDENTIAL FLAT RATE SERVICE**

**SPECIAL CONDITIONS (CONTINUED)**

4. The annual flat rate charge applies during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he or she may elect, at the beginning of the calendar year, to pay prorated flat rate charges in advance at intervals of not less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing period.
5. The established billing cycle is every six months.
6. The opening bill for flat rate service shall be the established annual flat rate charge for service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ( $1/365$ ) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of this initial annual charge shall be due to the customer.
7. A one-time surcharge of \$10.38 per customer shall be collected, in accordance with Commission Resolution W-4327, dated March 6, 2002 to recover the operating costs of fees for the period from July 1, 2002 through June 30, 2003, imposed by the Department of Health Services. This amount is due and payable upon presentation. (N)  
|  
|  
|  
(N)
8. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

**APPENDIX B RATES CONTINUED**

**Tahoe Swiss Village Water Company Glenridge**

**Schedule No. 4AR**

**PRIVATE FIRE PROTECTION SERVICE**

**APPLICABILITY**

Applicable to all fire hydrant service furnished to municipalities, duly organized fire districts, and other political subdivisions of the State.

**TERRITORY**

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

**RATE**

**Per Month**

For each inch of diameter of service connection .....8.56

**SPECIAL CONDITIONS**

1. The facilities for service connection to a privately owned fire protection system will be installed by the utility or under the utility's direction and the cost paid by the applicant. Such cost will not be subject to refund. The facilities paid for will be the sole property of the applicant.
2. The minimum diameter for the private service connection will be 4 inches. The maximum diameter will not be larger than the diameter of the water main to which the service is connected.
3. If a main of adequate size to serve a private fire protection system in addition to all other normal service does not exist adjacent to the premises to be served, then a new main from the nearest existing main of adequate capacity will be installed by the utility and the cost paid by the applicant. Such cost will not be subject to refund. The main where located in the public right-of-way or utility easement will be the sole property of the utility. .
4. Service hereunder is for private fire protection systems to which no connections other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction and maintained to the satisfaction of the utility. The service connection facilities are subject to the right to remove upon discontinuance of service. The customer is required to maintain, repair, and to provide for the required periodic inspection of system. Failure to comply with this provision may be grounds for the utility's discontinuance of the service to the premises without liability to the utility.

(continued)

## **APPENDIX B RATES CONTINUED**

### **Schedule No. 4AR (Continued)**

#### **PRIVATE FIRE PROTECTION SERVICE**

#### **SPECIAL CONDITIONS (CONTINUED)**

5. The service connection will include the installation of a detector check valve with meter or other similar device acceptable to the utility for protection against theft, leakage, or waste of water. If the utility and its duly authorized agents have the right of access to and within the premises for all purposes related to said facility, the requirement of a detector check valve and meter may be waived.
6. For water delivered for other than fire protection purposes, charges will be made therefore under Schedule No. 1AR, Annual General Metered Service. Unauthorized use of water from the private fire services may be grounds for the utility's discontinuance of the service to the premises without liability to the utility.
7. The utility will supply only such water at such pressure as may be available at any time as a result of the normal operation of the utility system.
8. No structure except by written approval and authorization of the utility will be built over the facilities to serve private fire service and the customer will maintain and safeguard the area occupied by these facilities from traffic and other hazardous condition. The customer will be responsible for any damage to the facilities.
9. Subject to the approval of the utility, any change in the location of construction of the facilities to serve private fire service as may be requested by public authority or the customer will be made by the utility following payment to the utility for the entire cost of such change.
10. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding adequacy of pressure or supply for fire protection service.
11. The customer shall be responsible for the periodic testing of any backflow prevention devices as required by public authority or the utility. Any repair or replacement of such devices or of any other facilities installed to provide private fire service shall be done at the customer's expense. Any refusal to comply with the above requirements may be grounds for the utility's discontinuing private fire service without liability to the utility.
12. All water bills are subject to the reimbursement fee set forth on Schedule No. UF.



## **APPENDIX B RATES CONTINUED**

### **Tahoe Swiss Village Water Company Glenridge**

#### **Schedule No. LC**

#### **LATE PAYMENT CHARGE**

#### **APPLICABILITY**

Applicable to all flat rate and metered residential services.

#### **TERRITORY**

Glenridge Park Subdivision, and vicinity, located about one-fourth mile north of Meeks Bay, El Dorado County.

#### **RATES**

Late Charge: A late charge of \$5.00 on unpaid balance subject to special conditions below.

#### **SPECIAL CONDITIONS**

1. The balance is unpaid and subject to a late charge if the bill is past due, or delinquent, as defined in Rule No. 11, Section B.1.a.
2. The late charge should be imposed only once on a delinquent bill since the account would be shut off before a subsequent bill and then subject to the reconnection fee as authorized by Tariff Rule 11.
3. All bills shall be subject to the reimbursement fee as set forth on Schedule UF.

## **APPENDIX C    COMPARISON OF RATES**

### **Tahoe Swiss Village Water Company Glenridge Test Year 2003**

	<b>Annual Rates</b>					
	<b>Present</b>		<b>Adopted GRC RATES</b>		<b>Percent Increase</b>	<b>Final rates with CPI</b>
<b>METERED</b>	Metered	Flat	Metered	Flat		
<b>Service Charge</b>						
5/8 x 3/4-inch	181.00		<b>211.17</b>		<b>16.67</b>	<b>215.18</b>
3/4 - inch	198.00		<b>231.00</b>		<b>16.67</b>	<b>235.39</b>
1-inch meter	271.00		<b>316.17</b>		<b>16.67</b>	<b>322.18</b>
1 1/2 - inch	361.00		<b>421.17</b>		<b>16.67</b>	<b>429.17</b>
2-inch meter	487.00		<b>568.17</b>		<b>16.67</b>	<b>578.97</b>
<b>Quantity Charge</b>	2.01		<b>2.35</b>		<b>16.92</b>	<b>2.39</b>
<b>FLAT</b>						
Residential 3/4 -inch		391.00	<b>456.17</b>		<b>16.67</b>	<b>464.84</b>
Additional unit		326.00	<b>380.37</b>		<b>16.67</b>	<b>387.21</b>
Residential 1 -inch		651.00	<b>759.55</b>		<b>16.67</b>	<b>773.99</b>
Additional unit		NEW	<b>632.71</b>		<b>NEW</b>	<b>644.73</b>
<b><i>A monthly comparison bill for a customer with 3/4 -inch flat rate service is shown below:</i></b>						
<b>Type of connection</b>	<b>\$Present Bill\$</b>	<b>\$GRC Adopted Bill\$</b>	<b>\$\$ Increase</b>	<b>%% Increase</b>	<b>With CPI Increase</b>	
<b>Residential flat rate 3/4-inch</b>	32.58	<b>38.01</b>	<b>5.43</b>	<b>16.67</b>	<b>38.74</b>	
<b>Additional rate 3/4-inch</b>	27.17	<b>31.70</b>	<b>4.53</b>	<b>16.67</b>	<b>32.30</b>	

## **APPENDIX D    ADOPTED QUANTITIES**

### **Tahoe Swiss Village Water Company Glenridge Test Year 2003**

#### **Taxes**

Federal Tax Rate..... 15%

State Tax Rate ..... 8.84%

**Ad Valorem Taxes .....\$341**

Tax Rate ..... 1.0552%

Assessed Value .....\$32,294

#### **Expenses**

**Purchased power.....\$2,344**

Sierra Pacific Power Company

Rate Schedule ..... E - 50

Effective Date of Schedule.....1/1/2000

kWh Used Total .....22,818

kWh Used - Summer .....17,114

kWh Used - Winter.....5,704

\$/kWh - year round ..... 0.09894<sup>1</sup>

Customer Charge.....86

#### **Payroll**

Management Salary .....\$2,208

Office Salary.....\$300

Total Payroll.....\$2,508

Payroll taxes.....\$350

**Water Testing (part of contract labor) .....\$450**

**DHS FEES .....\$415**

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<sup>1</sup> This rate includes a 2 cent per kWh “rate stabilization surcharge” subject to refund and adjustments.

**APPENDIX D      ADOPTED QUANTITIES (CONTINUED)**

**Tahoe Swiss Village Water Company Glenridge  
Test Year 2003**

**Service Connections**

*Flat Rate*

*Residential*.....41

*Private Fire Protection*.....1

Total Flat.....42

**Total Connections   .....42**

Water Consumption used for metered rated rate design .....4,339 Ccf

**ADOPTED TAX CALCULATIONS**

**Tahoe Swiss Village Water Company Glenridge  
2003 Test Year GRC Adopted Rates**

<b>Line</b>	<b>Item</b>	<b>State Tax</b>	<b>Federal Tax</b>
		\$\$	\$\$
1.	Operating Revenues	18,854	18,854
2.	Expenses	10,311	10,311
3.	Taxes other than Income	880	880
4.	Depreciation Expense	2,218	2,218
5.	Interest	none	none
6.	Taxable Income for State Tax	5,443	
7.	State Tax (at 8.84% or 800)	800	
8.	Taxable Income for FIT		4,643
9.	Federal Income Tax (at 15%)		697
10.	Total Income Taxes		1,497